

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF FINANCIAL INSTITUTIONS
335 MERCHANT STREET, RM. 221
P.O. BOX 2054
HONOLULU, HI 96805

APPLICATION FOR ESCROW DEPOSITORY LICENSE

(SUBMIT IN DUPLICATE)

Filing fee of \$2,000.00 is to be submitted with the application; a \$25.00 service charge will be assessed for each dishonored check received. All questions must be answered completely; if not applicable, insert "NONE." Additional pages and supporting schedules may be attached if needed.

The application, supporting documents, and records filed by an escrow depository, including audited financial statements and records relating to bonding and insurance, shall be available for public review as provided by law following receipt of a written request to review the records. Information claimed by the applicant to be confidential shall be submitted on separate pages which can be detached from the rest of the application and shall be identified by the words "Submitted as Confidential" printed on the top of each page. Information submitted as being confidential shall be accompanied by a separate statement requesting confidential treatment and providing reasons and authority for maintaining confidentiality. (Auth: Chapter 449, HRS, Chapter 92F, HRS, and §§ 16-28-3 and 16-28-4, HAR)

I. CERTIFICATION

The undersigned hereby certifies that the statements and information submitted in support of this application are true and correct to the best of our knowledge and belief.

By: _____
Signature

By: _____
Signature

(Print or Type Name)

(Print or Type Name)

Its: _____
(Print or Type Title)

Its: _____
(Print or Type Title)

NAME OF CONTACT PERSON: _____
(Print or Type Name)

TELEPHONE NO.: _____

II. INCORPORATION

Pursuant to §449-7.5(a), Hawaii Revised Statutes, every corporation desiring to be licensed as an escrow depository shall be incorporated in this State and have and maintain a principal place of business in the State for the transaction of its escrow depository business.

A. PROPOSED CORPORATE NAME: _____

B. DATE OF INCORPORATION: _____

C. DBA (If Applicable): _____

D. PROPOSED PLACE OF BUSINESS: _____
*(Must be located in the State of Hawaii
for transaction of its escrow business)*

E. NET CAPITAL: _____

as of date _____

III. STOCKHOLDERS, OFFICERS & DIRECTORS

A. List name and address of each Stockholder (“S”); Officer (“O”); and Director (“D”) in the corporation. Indicate the number and percent of shares owned by each individual (Note: you can photocopy this page if you need to add more names).

S/O/D	NAME	ADDRESS	# SHARES	% SHARES
		Total Shares:		

B. Is any stock held by a holding company or managing company? _____

If so, list the following:

(Name of Company)

(Street Address)

(City) (State) (Zip Code)

C. State whether any OFFICER, DIRECTOR, EMPLOYEE or SHAREHOLDER subscribing to or owning 5% or more of the stock to be issued for the proposed escrow depository, has ever been adjudged a bankrupt or compromised with creditors; or affiliated with a business that has been adjudged bankrupt or compromised with creditors.

D. If so, give details, including the court where proceedings were conducted, and the ultimate disposition of the claims of creditors.

IV. CHARACTER, FINANCIAL RESPONSIBILITY, EXPERIENCE AND ABILITY

For each OFFICER, DIRECTOR, or STOCKHOLDER subscribing or owning more than 5% of the issued stock, submit the following information:

- A. Three letters of reference from persons who can vouch that the character, experience, ability and general fitness of such OFFICER, DIRECTOR, or STOCKHOLDER is sufficient to successfully manage an escrow depository business.
- B. Current signed and dated personal financial statements which include a calculation of net worth.
- C. Current resume including past business experience.
- D. A completed Legal History Questionnaire. (See attached Attachment A; please make additional photocopies as needed).

VI. GENERAL

A. For applications to establish a **new** escrow depository, please attach schedules providing the following information:

1. Pro forma financial statements for the proposed escrow depository, including:
 - Pro forma financial statements as of the beginning of business;
 - Projected financial statements (accrual method of accounting) for the first three years of operation, including detailed estimates of future operating income and expenses, and a statement of assets and liabilities; and
 - Any projected cash dividends, bonuses, director’s fees, retainer fees, etc., to be paid out during this period.
2. A three-year business plan for the proposed escrow depository.
3. State whether the financial records are to be maintained on a calendar or fiscal year basis. If fiscal year, state the closing date.
4. A listing of the job title, description, and responsibilities for each key officer or employee of the proposed escrow depository.
5. An analysis or market study demonstrating that the proposed escrow depository will meet the convenience and needs of the community. The analysis should include a clear definition of the proposed escrow depository’s trade area, a description of the principal economic activities in the trade area, and population figures and trends.
6. Attach specimen copies of any document to be given to escrow clients and any forms to be maintained on escrow accounts. Furnish an explanation of each document and form.
7. Describe any other business(es) or individuals that will share office space with the proposed escrow depository and disclose whether they are affiliated with any OFFICER, DIRECTOR, EMPLOYEE or SHAREHOLDER of the proposed escrow depository. (Otherwise, state “None.”)

- B. For applications to **acquire control** of an existing, licensed Hawaii escrow depository corporation, please submit the following information:
1. Pro forma financial statements for the escrow depository, including:
 - Pro forma financial statements immediately after the acquisition of control;
 - Projected financial statements (accrual method of accounting) for the first three years of operation, including detailed estimates of operating income and expenses and a statement of assets and liabilities; and
 - Any projected cash dividends, bonuses, director's fees, retainer fees, etc., to be paid out during this period.
 2. Describe in detail, any proposed changes to the escrow depository's key officers or employees;
 3. Evidence that the escrow depository will continue to maintain all necessary insurance policies and bonds as required under Chapter 449, HRS; and
 4. Discuss in detail, any significant changes to the escrow depository's business, including any plans to reduce or expand the lines of business or branch locations.

ATTACHMENT A**LEGAL HISTORY QUESTIONNAIRE**

Name of Person Completing Form (Print or Type)

Answer the following questions with respect to: (1) the applicant; (2) the individual officers and directors; any controlling shareholder. For any question answered "YES," provide full details. *(Provide exhibit references if necessary.)*

YES	NO		
_____	_____	(a)	Has the applicant, any individual officers or directors, or any controlling shareholder: Been convicted of, or pleaded nolo contendere to, or been charged as a defendant in any criminal proceeding with, any crime involving an act of fraud or dishonesty?
_____	_____	(b)	Consented to or suffered a judgment in any civil or administrative action based upon conduct involving an act of fraud or dishonesty, or is any such proceeding pending against any such person?
_____	_____	(c)	Consented to or suffered any indictment, formal investigation, examination, or civil or administrative proceeding that resulted in any agreement, undertaking, consent, or order issued by any federal or state court, any department, agency, or commission of the United States government, any state or municipality, any self-regulatory trade or professional organization, or any foreign government or governmental entity, involving an act of fraud or dishonesty?
_____	_____	(d)	Consented to or suffered the suspension or revocation of any professional, occupational, or vocational license or other authorization to engage in a business activity based upon conduct involving an act of fraud or dishonesty, or is any such proceeding pending?
_____	_____	(e)	Knowingly made or caused to be made in any application or report filed with the commissioner or in any proceeding before the commissioner, any written or oral statement that was, at the time and in light of the circumstances under which it was made, false or misleading with respect to material fact, or willfully omitted to state a material fact with respect to information furnished or requested in connection with such an application?

_____	_____	(f)	<p>Knowingly or willfully committed any violation of, or knowingly or willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of, any provision of state law or rule?</p>
_____	_____	(g)	<p>Been involved in the denial or withdrawal after receipt of formal or informal notice of an intent to deny, by the applicant or affiliates of the applicant, of:</p> <p>(1) Any application relating to the organization of a financial institution?</p> <p>(2) An application to acquire any financial institution, subsidiary or holding company thereof?</p> <p>(3) A notice relating to a change in control of any financial institution, subsidiary or holding company thereof?</p>
_____	_____	(h)	<p>Been placed in receivership or conservatorship during the preceding 10 years, was a management official or director of a financial institution that entered into receivership or conservatorship, been placed in a management consignment program, or been liquidated during his or her tenure or within two years thereafter?</p>

I declare that I have reviewed the above and to the best of my knowledge and belief, it is true and correct.

Signature

Title

Date